



Financial Assistance Award

DENALI COMMISSION

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Anchorage, Alaska 99501

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www.denali.gov

Authority
112 Stat 1854

CFDA Number
90.100

Denali Commission Finance
Officer Certification

CEE

Project Number

0115-DC-2004-I3

Project Title

Juneau/Greens Creek/Hoonah Intertie

Performance Period

12/1/2003 to 12/31/2006

Authorizing Resolution

04-01

Recipient Organization & Address

Alaska Electric Light and Power Company

5601 Tongard Court

Juneau, AK 99801-7201

Phone: (907) 780-2222

Fax: (907) 463-3304

Recipient DUNS # 36-294-8978

Cost Share Distribution Table

Accounting Code	Denali Commission	Other Contributors	Total
95670000	\$580,000		\$580,000
AK Electric Light & Power		\$2,118,937	\$2,118,937
			\$0
			\$0
			\$0
Total	\$580,000	\$2,118,937	\$2,698,937

This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission is issued in triplicate and constitutes an obligation of federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions indicated below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Federal Co-Chair of the Denali Commission and the Recipient shall retain the third document. If not signed and returned without modification by the Recipient within 30 days of receipt, the Federal Co-Chair may unilaterally terminate this Award.

- ☒ Special Award Conditions and Attachments
- ☐ Line Item Budget
- ☒ OMB Circular A-133, Audits of States, Local Governments and Indian Tribal Governments
(<http://www.whitehouse.gov/omb/circulars/a133/a133.html>)

Administrative Requirements (check one)

- ☐ OMB Circular A-102, Grants and Cooperative Agreements with State and Local Governments
(<http://www.whitehouse.gov/omb/circulars/a102/a102.html>)
- ☒ OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit, and Commercial Organizations
(<http://www.whitehouse.gov/omb/circulars/a110/a110.html>)

Cost Principles (check one)

- ☐ OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments
(www.whitehouse.gov/omb/circulars/a087/a087-all.html)
- ☐ OMB Circular A-122, Cost Principles for Nonprofit Organizations
(www.whitehouse.gov/omb/circulars/a122/a122.html)
- ☐ OMB Circular A-21, Cost Principles for Educational Institutions
(<http://www.whitehouse.gov/omb/circulars/a021/a021.html>)
- ☒ 48 CFR 31.2, Contracts with Commercial Organizations

Signature of Authorized Official - Denali Commission

[Signature]

Typed Name and Title

Jeffrey B. Staser, Federal Co-Chair

Date

2/13/04

Signature of Authorized Official - Alaska Electric Light and Power Company

[Signature]

Typed Name and Title

Corry V. Hildenbrand,
VP, Energy Resource Development,
JGCHI Project Manager

Date

2/20/04

***Award Conditions to the Financial Assistance Award
Between the Denali Commission and
Alaska Electric Light and Power Company (AELP)
For: Permitting, Engineering, Construction of Juneau/Greens Creek/Hoonah
Intertie (JGCHI)
Project No. 0115-DC-2004-I3***

1. Scope of Work

Permit and design the JGCHI between North Douglas and Hawk Inlet and the Greens Creek Mine. This is part of the overall JGCHI that will connect the Greens Creek Mine and Hoonah, Alaska to AELP's power grid and the planned Lake Dorothy Hydroelectric Project. When completed the JGCHI, will consist of a total of 63.5 mile of transmission line: 34 miles of the transmission line will be submarine cable and 29.5 miles will be overhead transmission line. **Begin construction** of the remaining 52.5 miles of the JGCHI. Phase 2 of the intertie will cost \$15 million and extend from north Douglas Island to Greens Creek on Admiralty Island. Phase 3, the final phase, will cost \$20 million and go from Greens Creek on Admiralty Island to Hoonah. If additional funding is provided, both Phases 2 and 3 could be built in 2004-2005.

Other contributions include the engineering, design, permitting and construction of the 11-mile 69kV line extension from West Juneau to North Douglas as the first phase of the JGCHI; and the preliminary engineering, design and permitting for the next phases of the JGCHI project. In addition to the \$2,118,937 of private contributions made by AELP for the first phase engineering, design, permitting and construction of the JGCHI, AELP and other private sectors plan on expending about \$6,000,000 in total towards the development of the JGCHI.

All Commission funding is intended for use for the scope of work identified in the Award document only. In the event there is a balance of funding remaining after the full scope of work has been completed, the Denali Commission shall determine how the excess funds will be allocated.

2. Milestones

The following milestones are identified as the major steps to be completed as part of the project. "Planned" dates for the first milestone are included here. As part of each progress report, recipients shall update the progress toward meeting these milestones (see section 7, Reporting).

	Planned	
	Start Date	End Date
Permits Secured	02/01/2003	07/31/2004
Final Design	07/01/2003	09/15/2004
Construction	07/01/2004	12/31/2006

3. Award Performance Period

The Award performance period is December 1, 2003 through December 31, 2006. This is the period during which Award recipients can incur obligations or costs against this Award. The reimbursable Project Permitting and Project Engineering/Design efforts commenced on December 1, 2003. The permitting is expected to be completed by July of 2004 and the engineering is expected to be completed by September of 2004. (Non-reimbursable engineering and permitting activities began in early 2003)

4. Direct and Indirect Costs

The cost principles found in 48 CFR 31.2 are applicable to this Award. Indirect costs up to 5% of direct costs are allowable under this Award, and are included in the amount of the award. Fringe benefits as follows are allowable under this Award and are included in the amount of the award. For 2003: Clerical fringe benefits of 67.28% of direct labor for straight time and 3.83% of direct labor for overtime; Engineer fringe benefits of 34.74% of direct labor and 19% of direct labor for vehicle usage. For 2004: Clerical fringe benefits of 72.45% of direct labor for straight time and 7.98% of direct labor for overtime; Engineer fringe benefits of 36.76% of direct labor and 19% of direct labor for vehicle usage. For 2005 and 2006: Not yet determined. The fringe benefit and vehicle usage percentages applied to direct labor are in lieu of directly charging these items, and are not duplicated in the allocation of indirect costs. The fringe benefit and vehicle usage percentages applied to direct labor are estimates of actual costs, but a true up between estimated and actual costs will not be made to this project. There are no profit markups for work performed by the owner's workforce on this project

5. Budget and Program Revisions

The Administrative Circular OMB Circular A-110 applies to this Award. Please refer to the Administrative Circular for specific details on revisions to this Award. The Administrative Circular requires that AELP will inform the Commission in writing (e-mail, letter, or report) at the earliest possible date of any unanticipated project cost overrun, project schedule delays, or changes in the project scope or changed site conditions.

6. Payments

Payments under this Award will be made through the U.S. Department of Treasury's Automated Standard Application for Payment (ASAP) system. The ASAP system is the Commission's mechanism for requesting and delivering Federal funds to Award recipients. Your organization must be registered with the ASAP program in order to make draw downs. Please contact the Commission's Program Manager or Finance Manager for further information about registering with the ASAP program. Payments shall be made in accordance with OMB Circular A-110. **No interest will be accrued on these funds.**

7. Reporting

Three forms of project reporting are required under this Award, listed below. AELP shall submit reports using the Denali Commission's on-line Project Database System, available at www.denali.gov. If there are technical limitations which may prevent the recipient from meeting this requirement, please contact the Program Manager listed in this agreement.

- a. **Progress Reports** shall be submitted on a quarterly basis. The first reporting period is January 1, 2004 through March 30, 2004, and each quarter thereafter. Reports are due within 30 days of the end of the reporting period. Progress reports shall include the following:
 - i. Total project funding, including both Denali Commission funding and other project funding sources.
 - ii. The total project expenditures for the project as of the end of the reporting period, including both Denali Commission and Other funding sources.
 - iii. Update schedule and milestone information as identified in the Scope of Work
 - iv. Narrative summary of the project status and accomplishments to date, and address the following questions: is the project on schedule, is the project on budget, and what actions are planned to address any project problems.
 - v. Photographic documentation of project progress shall be provided with the progress reports for active construction projects. The photo documentation shall include a minimum of three, dated photos per reporting period such that a complete record of the construction is maintained over time, from "before," showing the situation before the start of construction, to "during" showing work proceeding on the project, and "after" to show the finished project. Photos shall be provided in a digital format as part of the on-line report. A short description of the activity and names of those in the photos shall also be provided.
- b. **Wage and Residency Reports** shall be submitted on an annual basis using the Denali Commission On-line Project Database. The reporting period is January 1st – December 31st of each year. Reports are due within 30 days of the end of the reporting period. The Wage and Residency Report shall include the following information by for each construction project
 - i. Total number of Local Residents employed during the year, and their total payroll earnings.
 - ii. Total number of Non-Local Alaska Residents employed during the year, and their total payroll earnings.
 - iii. Total number of Non-Alaska Residents employed during the year, and their total payroll earnings.

- c. **Federal Single Audits** shall be submitted annually, when required. In accordance with OMB Circular A-133, which requires [subpart 200] “Non-Federal entities that expend \$500,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part. [subpart 205] The determination of when an award is expended should be based on when the activity related to the award occurs.”

Recipients shall also submit single audits to the Federal Clearinghouse designated by OMB. Information can be found on the following web-site:

<http://harvester.census.gov/sac/>

8. Project Close-Out

The project close-out shall be completed within 90 days of the end of the Award performance period or within 90 days of the completion of the project, whichever is earlier. Recipients must also draw down any remaining funds for expenditures incurred under this award during this 90-day period.

The Project Close-out report shall be submitted on-line through the Denali Commission's on-line Project Database System, available at www.denali.gov. The project close out will require the recipient to submit the following information:

- a. Final data for each item listed in paragraph 6(a) “Progress Reports”
- b. Final project expenditures itemized by the following categories: planning & design; materials & equipment; freight; labor; project administration/overhead and other expenses.
- c. Acknowledgement of support: For all construction projects, the Award recipient shall include an acknowledgement of the Government's support for the project(s) developed under this Award. The Award recipient shall display a sign that:
 - i. Has the Denali Commission logo displayed on the upper right-hand quadrant;
 - ii. States the following: “This project was financed by the Denali Commission and its partners (*list the name of the funding partners*)”;
 - iii. Shows the logo of each partner in the lower right-hand quadrant.

The cost of this sign shall be paid out of the project funding received by the Award recipient from the Denali Commission. Final approval of signage material and placement of sign must be obtained from the Commission Project Manager.

9. Public Policy Laws and Assurances

Award Recipients are required to comply with the public policy laws and assurances on Standard Forms SF 424b (non-construction projects) or SF 424d (construction projects). This form must also be signed by a certifying official of the organization. Some of the laws are highlighted below for your reference.

To the maximum extent practicable, considering applicable laws, Funding Recipients shall accomplish the project contemplated by the Award using local Alaska firms and labor.

No portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

Project level environmental reviews in accordance with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) are required for each project undertaken with Denali Commission funds. NEPA reviews performed for other funders of this project shall be deemed sufficient for this project award if they are available and applicable to same or greater scope.

10. Non-Compliance with Award Conditions

Recipients not in compliance with the terms and conditions of this Financial Assistance Award will be notified by the Denali Commission. The Denali Commission will work with the recipient to identify the steps necessary to bring them back into compliance, and will establish an appropriate time frame for the corrections to be made. If the corrections have not been made by the deadline, the Denali Commission reserves the right to either suspend or unilaterally terminate the Financial Assistance Award for non-performance.

11. Program Manager, Financial Manager & Other Contact Information

AELP project officers are Mr. Corry V. Hildenbrand for purposes of project design and construction, and Ms. Connie Hulbert for purposes of financial management. The Commission project officers are Ms. Kathleen Prentki. for purposes of project management and Ms. Michelle O'Leary for purposes of financial management.

Denali Commission	Alaska Electric Light and Power Co.
Ms. Kathleen Prentki 510 "L" Street, Suite 410 Anchorage, AK 99501 Voice – (907) 271-1414 Fax – (907) 271-1415 e-mail: kprentki@denali.gov	Corry V. Hildenbrand 5601 Tonsgard Ct. Juneau, Alaska 99801 Voice – (907) 463-6320 Fax – (907) 463-6398 Cell – (907) 723-2607 e-mail: corry.hildenbrand@aelp.com
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